

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Secret

50 15 October 1970

No. 0247/70 15 October 1970

25X6

25X1

Central Intelligence Bulletin

CONTENTS

OKINAWA-JAPAN: The issue of defending the island after reversion has been raised, apparently with positive results. (Page 1)

YUGOSLAVIA: Completion of the 1971-75 economic plan has been delayed. (Page 2)

YUGOSLAVIA: A return to polemics in the press has ended a quiet period in relations with the USSR. (Page 3)

FINLAND: The dispute between factions within the Communist Party could lead to the government's downfall. (Page 4)

NIGERIA: The plan to extend military rule is producing some discontent. (Page 5)

<u>UN - MIDDLE EAST:</u> The Arabs appear inclined to push for an early General Assembly debate on the Middle East. (Page 6)

CAMBODIA: Military situation report (Page 9)

LEBANON: New cabinet (Page 9)

SIERRA LEONE: Arrests of army officers (Page 10)

ARGENTINA: Cabinet resignations (Page 10)

ECUADOR: Tension in Guayaquil (Page 11)

OKINAWA-JAPAN: Last week's visit to Okinawa by Defense Agency chief Nakasone came off smoothly and apparently with positive results despite opposition by local leftist elements.

Nakasone, in Okinawa on 7-8 October at the invitation of the US military, outlined plans for the posting of a 3,200-man Japanese military garrison to the island within six months of reversion in 1972. The leftists, playing on vague misgivings among the general public, attempted to portray this as a new version of Japanese imperialist oppression. Chief Executive Yara, caught between contradictory forces, participated in meetings with Nakasone but felt constrained to present a paper claiming that the Okinawans were opposed to the entry of Japanese selfdefense forces. In a subsequent press conference, Nakasone rebutted this claim and skillfully defused the issue by emphasizing the military's natural role in defending Japanese territory. He pledged every effort to avoid inconveniences to the public.

The Okinawa Liberal Democratic Party, despite initial anxieties over the possible adverse political impact of Nakasone's visit, now sees it as strengthening the party's position against the leftists in next month's election of Okinawan representatives to the Japanese Diet. The conservatives believe that the visit served to bring out into the open issues that had to be raised, and that now it is up to them to carry their campaign to the people along the security lines stressed by Nakasone.

25X1

YUGOSLAVIA: Completion of the 1971-75 economic plan, delayed since July by inter-republic squabbles, has been further held up as a result of an impending government reorganization and economic instability.

No new date has been set for submission of the plan to the Federal Assembly, which had been scheduled for last month. This probably will not occur before early 1971, and may be deferred until 1972. One Belgrade official stated that the cabinet is considering the option of approving an interim one-year plan for 1971 and postponing the five-year plan to the 1972-76 period.

Tito's proposals for succession and for an extensive reorganization of the state administration have contributed to the delay. Moreover, serious inflationary conditions and adverse trade balances have required a new economic stabilization program that is now being drafted. Completion of this program is essential before realistic long-term plan goals can be set.

Similar economic problems confronted Yugoslavia in 1965 when the government promulgated the 1966-70 plan after enactment of a broad economic stabilization program. The plan bore little relation to conditions prevalent at the time and economic results during the past five years have failed to match anticipated trends and planned growth. The government undoubtedly is anxious to avoid a repetition of this experience.

YUGOSLAVIA: The news media have attacked US Communist Party chief Gus Hall for his article criticizing President Nixon's trip to Yugoslavia and the Soviet press for reprinting the story.

A volley was fired on 12 October when noted Yugoslav commentator Milika Sundic blasted Hall, describing him as the leader of the "numerically weak" and uninformed American Communist Party. Sundic took strong exception to Hall's assertion that Moscow now believes Yugoslavia has sold out to the US. He denounced the Soviets for quoting Hall, an act which he characterized as an "abuse" against President Tito personally. The leading dailies in Belgrade, Zagreb, and Ljubljana now have paralled Sundic's comments.

Belgrade's response to the Hall article followed strident Yugoslav press reactions to a Pravda story on the enemies of peaceful coexistence, as well as to an oblique Polish press reference to the Yugoslav-Bulgarian border; it also comes at a time when Belgrade is hosting a Supreme Soviet delegation headed by Belorussian party chief Masherov. This return to polemics in the press marks an end to a relatively quiet three months in Yugoslav-Soviet relations. Earlier this year, however, polemics had heated up to a point reminiscent of the period immediately following the occupation of Czechoslovakia. The Yugoslav retort may create another obstacle to the Yugoslav-Soviet rapprochement.

25X1

FINLAND: The continuing dispute between the liberal and conservative wings of the Communist Party could lead to the downfall of the government, in which the party is a member.

The conservatives have taken a consistently negative line toward concessions to the other parties in the center-left government, and at times have even voted against the government's bills in parliament. On Tuesday they went so far as to desert the coalition in a vote of confidence, forcing the government to scrape by with only two votes to spare. Yet it is doubtful that the conservatives really want the government to fall, as the only alternatives would be a new coalition without Communist participation, or worse, new elections which would reveal further erosion in voter support for the Communist-dominated Peoples Democratic League (SKDL).

The liberals, angered by the frittering away of Communist political credibility laboriously built up during the party's earlier participation in the government from 1966 to 1970, have denounced the conservative tactic as short-sighted and destructive. The liberals could probably carry out their program within the framework of the SKDL, but to do so might risk abandoning the party and its considerable financial resources to the conservatives. The liberals may have to pursue a long-term program of taking over as many local and district party organizations as possible in order to win control of the party at the next congress in 1972.

NIGERIA: The federal military government's announcement that it intends to retain power for six more years has sparked little overt opposition, but discontent beneath the surface is growing.

The press has generally approved the nine-point program for a return to civilian rule announced by General Gowon on 1 October. Public reaction has been slow and diffuse, except among politicians who have a personal interest in a quicker turnover of power. Northern politicians are reportedly restless and annoyed at the delay. The always turbulent Yorubas of the Western state, although not happy with the prospect of continued rule by a particularly corrupt military governor, appear to have adopted a wait-and-see attitude.

General Gowon did concede that the army might be able to finish its program sooner, and pressures for a shortening of the timetable can be expected. It is unlikely that 61-year-old Yoruba Chief Awolowo, the highest ranking civilian in the government, will be willing to check his ambitions for such a long period.

UN - MIDDLE EAST: The Arabs, led by Egypt, appear increasingly inclined to push for a General Assembly debate on the Middle East immediately after the conclusion of the UN commemorative ceremonies on 24 October.

Egypt takes the line that it must have an Assembly resolution calling for a continuation of the cease-fire and for an early resumption of the Jarring mission before it can accept a cease-fire extension. Such a low-key resolution would probably get an overwhelming majority, including support from both the UK and France.

There is considerable doubt, however, that Cairo, under pressure from the radical Arab states, would be satisfied with such a mild resolution. As a result Egypt is likely to press for language calling for Israeli withdrawal from all territories occupied in the 1967 war as a precondition for any settlement and restoration of the "rights" of the Palestinians. The US mission in New York believes such language might well get a majority in the Assembly, although probably not the two-thirds vote required if the issue is declared an Important Question.

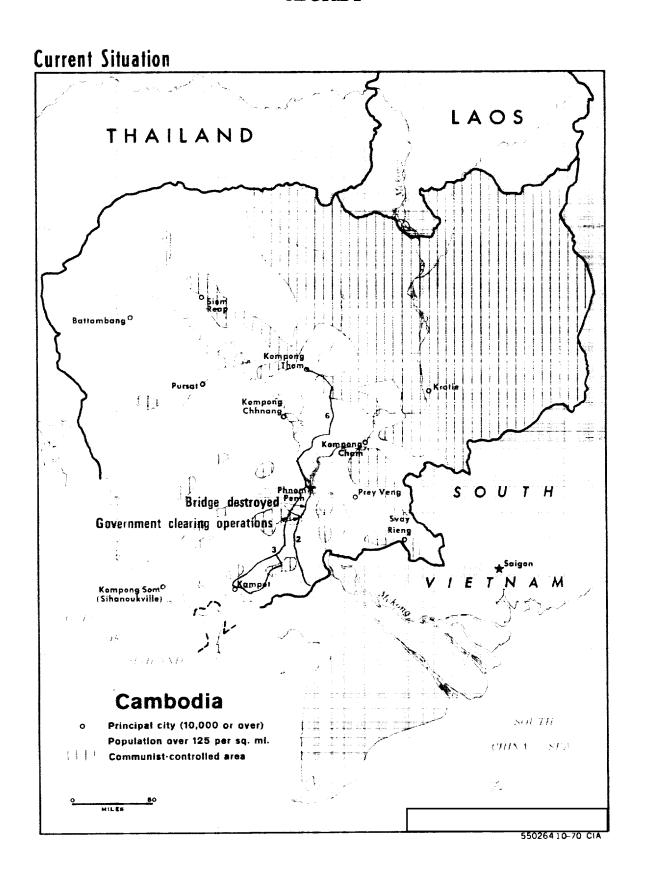
The apparent aim of these moves is to counter US-Israeli charges about missile deployments by obtaining an expression of Assembly condemnation of Israeli intransigence. Al-Ahram on 8 October reported that the Soviet charge in Cairo had expressed unqualified support for a resumption of Assembly debate on the Middle East. An official at the Soviet UN mission has given the US essentially the same message, although he qualified his remarks by referring to the need to assess the status of the Big Four and Jarring talks when the commemorative session ends.

25X1

ret-

124

1877



NOTES

CAMBODIA: Government forces have launched another major road-clearing operation. Thirteen battalions are now trying to open Routes 2 and 3 to a distance of 20 miles south of Phnom Penh, where large numbers of enemy troops have been sighted during the past month. The Communists have destroyed bridges on the roads both within the operation's area and beyond. The size and timing of this latest government drive indicate Phnom Penh remains confident of its offensive capabilities, despite the problems it has encountered trying to reopen Route 6 to Kompong Thom.

Kompong Thom.

LEBANON: Saib Salem, a long-time Muslim politician and four-time ex-premier, has formed a 12-man cabinet whose other members are from outside the Chamber of Deputies. Salem had difficulty in organizing the new government because of conflicting demands by various blocs over the distribution of ministerial portfolios. He apparently decided to appoint extraparliamentary technicians as a way of resolving the impasse. The interparty hassle over the cabinet could portend problems for both Salem and President Franjiyyah on questions of domestic policies.

(continued)

15 Oct 70

25X1

25X1

Central Intelligence Bulletin

9

SIERRA LEONE: Prime Minister Stevens has arrested six army officers who were allegedly preparing to launch a coup. The government claims that this is the second coup within a week that they have forestalled. On Monday two army majors were cashiered for plotting to move against the government when parliament reconvenes next week. They, as well as several other military officers, are known to have been unhappy over Stevens' recent illegal arrests of his leading political foes. The governmentowned press has charged the US with complicity in the first plot and claimed that a US Embassy official, who has been asked to leave the country, is being expelled because of his contacts with one of the cashiered officers.

ARGENTINA: The resignation of two key cabinet officials is symptomatic of deep divisions within the Levingston administration: further resignations are possible. Interior Minister McLoughlin and Economic Minister Moyano were staunch supporters of liberal political and economic policies. Although the situation is unclear, the basic question apparently is the long-standing problem of how to integrate the massive Peronist movement into a democratic political framework. The situation could be further complicated by street demonstrations on 17 October.

a major Peronist anniversary.

(continued)

15 Oct 70

Central Intelligence Bulletin

10

25X1

ECUADOR: The government staved off trouble during the recent celebration of Guayaquil's 150th anniversary, but a new crisis probably is not far off. Antigovernment sentiment in the provincial capital, which is Ecuador's largest city, had been stirred by President Velasco's dismissal last month of the city's popular mayor and the prefect of the province after they criticized the administration. Forceful action by police, however, broke up attempted demonstrations during the ceremonies. Although the tension of the last two weeks has abated, President Velasco's speech in Guayaquil pointed to a continuation of the administration's arbitrary offensive against its opponents. The government still holds the mayor in prison; the prefect, who had been considered a probable presidential candidate in the elections scheduled for 1972, has been exiled to Panama.

Secretoproved For Release 2003/10/01 : CIA-RDP79T00975A017400010001-7

Secret